RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0299431

IN RE: P-5 ORGANIZATION REPORT OF MAGNUM OILFIELD SERVICES LLC

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator failed to request a hearing and pay the hearing fee as required by 16 Tex. ADMIN. CODE §3.15(g)(4) and Tex. Nat. Res. Code §89.022(f). This matter having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

- 1. Magnum Oilfield Services LLC [Operator #521543] (the "Operator"), is the record operator or one or more inactive wells in the State of Texas and is required to file Organization Report (Form P-5) with the Commission. Operator's most recent P-5 was due on or before September 1, 2015.
- 2. After filing its most recent Organization Report (Form P-5) with the Commission, the Operator was notified they were deficient and had failed to comply with the requirements of 16 Tex. Admin. Code § 3.15 (Surface Equipment Removal Requirements and Inactive Wells) and provided with a written statement of the reasons for the determination and allowed ninety (90) days from the date its P-5 was due to comply with the requirements of 16 Tex. Admin. Code § 3.15 and Tex. Nat. Res. Code §§89.021 89.030.
- 3. After the expiration of ninety (90) days and pursuant to 16 Tex. ADMIN CODE §3.15(g)(4), an authorized Commission employee determined that the Operator's Organization Report still could not be renewed because the Operator continued to fail to comply with the requirements of 16 Tex. Admin. Code §3.15 (Surface Equipment Removal Requirements and Inactive Wells).
- 4. The Commission sent the Operator a letter by certified mail giving notice to the Operator of the determination of continued non-compliance regarding specified inactive wells, attached as Exhibit A to this order, and advising the Operator of the right to request a hearing to show compliance. The letter notified the Operator that the hearing request must be received in docket services no later than 30 days after the date of the letter. The letter also notified the Operator that a final order denying renewal of the Operator's Organization Report (Form P-5) would result in the cancellation of all P-4 Certificates of Compliance and the severance of all pipeline or other carrier connections.

- 5. All notices and letters from the Commission to the Operator on this matter were addressed and mailed to the Operator's most recently reported address on the Form P-5 Organization Report.
- 6. The Operator did not timely request a hearing and pay the hearing fee on these issues as required under 16 Tex. ADMIN. CODE §3.15(g)(4) (Surface Equipment Removal Requirements and Inactive Wells).
- 7. Statewide Rule 15 (16 Tex. ADMIN. CODE §3.15) is a Commission rule that relates to safety or the prevention or control of pollution.

CONCLUSIONS OF LAW

- 1. The Operator received proper notice and an opportunity for hearing regarding compliance with 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 89.030.
- 2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this matter have been performed or have occurred.
- 3. The Operator is in violation of Commission Statewide Rule 15 and did not timely request a hearing to contest the determination that it was in violation.
- 4. The Operator's P-5 Organization Report should not be renewed and all of the Operator's P-4 Certificates of Compliance should be cancelled, with all related pipeline or other carrier connections severed. 16 Tex. Admin. Code §3.15 (g)(4) and Tex. Nat. Res. Code §§89.022(f), 91.704 91.706.
- 5. The Operator's P-5 Organization Report cannot be renewed until the operator brings the inactive wells shown on the attached Exhibit A into compliance with the requirements of 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 89.030.

IT IS ORDERED that renewal of Magnum Oilfield Services LLC's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to Magnum Oilfield Services LLC as operator of record are hereby CANCELLED and all related pipeline or other carrier connections are hereby SEVERED.

It is further ORDERED that Magnum Oilfield Services LLC shall bring the wells on Exhibit A into compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) and that the Operator's P-5 Organization Report shall not be renewed until the wells on Exhibit A have been brought into compliance as required by this order.

It is further ORDERED that Magnum Oilfield Services LLC and each person who held a position of ownership or control in the Operator at the time the Operator's most-recent P-5 Organization Report was filed shall be subject to the terms of Tex. Nat. Res. Code §91.114.

It is further ORDERED by the Commission that this order shall not be final and effective until 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date the Commission Order is signed.

All requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Rule 15 Inactive Well Master Order dated February 3, 2016.)

1

API	Number D	istrict	ID Number	Lease Name	Well Number
013	32469 Electricit No approve	y must be	disconnected	STOKES, O.K. (certify on Form W-3C)	1
013		y must be		STOKES, O.K. (certify on Form W-3C)	2
013	33656 Electricit No approve		disconnected	STOKES, O.K. (certify on Form W-3C)	3
021	30427 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	101
021	30461 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	201
021	30463 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	102
021	30475 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	103
021	30476 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	104
021	30477 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	105
021	30478 Electricit No approve		disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	203
021	30479 Electricit No approve	y must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	202
021	30522 Electricit No approve		disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	106
021	30523 Electricit No approve		disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	107
021	30524 Electricit No approve		disconnected	BATEMAN (AUSTIN CHALK) UNIT (certify on Form W-3C)	108

Docket No. 20-0299431 Exhibit A

021 30885

No approved W-3X on file

208

Docket No. 20-0299431 Exhibit A

BATEMAN (AUSTIN CHALK) UNIT

08490

Electricity must be disconnected (certify on Form W-3C)

3

API	Number D	istrict	ID Number	Lease Name	Well Number
021	30886 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	209
021	31488 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	205
021	31489 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	403
021	31490 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	404
021	31491 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	407
021	31617 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	115
021	31619 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	114
021	31624 Electricity No approved	must be	disconnected	BATEMAN (AUSTIN CHALK) UNIT d (certify on Form W-3C)	211
291	02804 No approved			FISHER, FLORENCE C.	5
291		must be		O'BRIEN, N. d (certify on Form W-3C)	1
291	31632 No approved			O'BRIEN, N.	2
291	31712 Electricity No approved		disconnected	O'BRIEN, N. d (certify on Form W-3C)	3
331	31687 Electricity No approved	must be		COLLEY d (certify on Form W-3C)	1
331	32451 Electricity No approved			COLLEY d (certify on Form W-3C)	2
331	32611 Electricity No approved			COLLEY d (certify on Form W-3C)	3

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Exhibit A

API	Number Di	strict	ID Number Lease Name	Well Number
331	32638 Electricity No approved	must be	10008 COLE, MYRTLE MARIE disconnected (certify on Form W-3C) file	1
331	32702 Electricity No approved	must be	10008 COLE, MYRTLE MARIE disconnected (certify on Form W-3C) file	2
491	30001 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	4
491	30004 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	5
491	30005 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	3
491	30006 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	2
	30415 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	1A
	80059 Electricity No approved	must be	01175 HALL, RAY W. disconnected (certify on Form W-3C) file	1

Docket No. 20-0299431

Exhibit A